



Foreign Agricultural Service

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Egypt

Grain and Feed

Egypt's Wheat Imports Update

2002

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Report Highlights:

Since the beginning of MY 2002/03, Egypt imported 3,049,000 MT of wheat. France is expected to dominate Government of Egypt wheat purchases this year despite the recent importation of 420,000 MT of American wheat by GASC. Private sector continues to source wheat from non-traditional suppliers (i.e Russia, Ukraine and Pakistan).

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Cairo [EG1], EG

Since the beginning of Marketing Year 2002/2003 (July,2002) Egypt purchased a total of 3,049,000 MT of wheat as follows:

	From All Sources	From US
General Authority for Supply Commodities (GASC):	2,340,000 MT	480,000 MT
Private Sector:	709,000 MT	0
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Total:	3,049,000MT	480,000 MT

Egypt's total wheat imports by country of origin are as follows. Private sector wheat imports are based on local industry estimates.

Origin	Quantity (000 MT)
US:	480,000 MT
Australia:	240,000 MT
France:	1,620,000 MT
Pakistan:	230,000 MT
Ukraine:	111,000 MT
Poland:	25,000 MT
Russia:	312,000 MT
Yugoslavia:	15,000 MT
Bulgaria:	16,000MT
Grand total:	3,049,000 MT

During the month of October, GASC purchased 120,000 MT of SWW, 300,000 MT of SRW from the US and 360,000 MT from France (soft wheat). GASC continues to purchase most of its wheat import requirements from France due to the price difference that exists between French wheat and other origins. GASC surprised markets last month by opting to purchase 300,000 MT of SRW from the United States at a reported price of \$172.50 /MT/FOB over French wheat which was trading at approximately \$121/MT/ FOB. Officials have given no explanation other than citing economic reasons for their decision.

In an attempt to open new markets for Egyptian potatoes, the government is reportedly considering to structure a barter deal with Syria to purchase durum wheat in exchange for Egyptian potatoes which are being kept out of the European market due to phytosanitary concerns. The Food Industries Holding Company which owns a number of mills that produce unsubsidized bread and pasta flour is the likely vehicle, to facilitate this arrangement if it materializes.

The price gap between US wheat and wheat from non-traditional suppliers (mainly Russia and

Ukraine) is expected to remain high during the remaining months of this season. Private sector mills which consume about two millions metric tons of imported wheat annually have mostly switched to importing wheat from Russian, Ukrainian and Pakistani due to favorable prices. Reportedly, Russian, Ukrainian and Pakistani wheat prices were \$130, \$128 and \$ 137/ MT C&F respectively during the month of October